In the Mid-Term Review of Annual Policy Statement (dated October 30,2007), RBI has observed that in view of the rise in the number of litigations against banks for engaging recovery agents in the recent past, it is felt that the adverse publicity could result in serious reputational risk for the banking sector as a whole. RBI has urged banks to follow prescribed guidelines while engaging recovery agents and has clarified that complaints received regarding abusive practices followed by a bank's recovery agent would invite serious supervisory disapproval. RBI would consider imposing a temporary ban (or even a permanent ban in case of persistent abusive practices), for engaging recovery agents, on those banks where strictures have been passed/penalities have been imposed by a High Court/Supreme Court or against its Directors/Officers with regard to the abusive practices followed by their recovery agents.

RBI has also placed on its website, on 30th November, 2007, draft Guidelines for Banks engaging Recovery Agents for feed back. Based on the feedback received from banks/ individuals/organisations, the guidelines have been revised and a second draft has been issued on 25th March, 2008 for feedback. These guidelines cover various operational issues concerning engagement of recovery agents by the banks, methods to be followed by them for recovery of dues, training for the recovery agents, procedure for taking possession of property mortgaged/hypothecated to the banks, etc. The banks have also been advised to strictly abide by the codes pertaining to collection of dues.

Slashing of Import Duty on Edible Oils

2980. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

whether it is a fact that Government has cut the import duty on essential items including edible oil;

if so, the details thereof;

whether Government has been able to arrest the rising inflation;

if so, the details thereof; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) To cushion the impact or rising international prices, Government has reduced the customs duty on essential items including edible oils and rice.

(b) The customs duties on edible oils have been reduced *w.e.f.* 1.4.2008 as follows:

(i) Soya Bean oil (crude) to Nil and on soya bean oil (refined) to 7.5%;

(ii) Crude Palm oil (including crude palmolein) to Nil and RBD palm oil (including RBD palmolein) to 7.5.%;

(iii) All other miscellaneous edible oils (crude) such as coconut oil, ground nut, etc. to Nil;

(iv) All other miscellaneous edible oils (refind) such as coconut oil, ground nut, etc. to 7.5%;

(v) Partly or wholly hydrogenated vegetable fats and oils commonly known as 'vanaspati', margarine, etc. to 7.5%;

Further, import duty on Semi-milled and wholly milled rice for imports made on or before 31.3.2009 was also reduced from 70% to Nil *w.e.f.* 31.3.2008.

(c) to (e) Containment of inflation remains high on the agenda of the Government. Anti-Inflationary policies of the Government include strict-fiscal discipline, rationalization of duties of essential items, effective supply-demand management of essential commodities through liberal tariff and trade policies, and procurement through public sector agencies. The Monetary policy of Reserve Bank of India, while being conducive to economic growth, has attempted to contain inflationary expectations arising out of uncertainties in domestic and international environment. These measures are expected to moderate inflation and inflationary expectations in coming weeks.

Imposition of Corporate Tax on Big Retail Stores

2981. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

whether it is a fact that Confederation of All India Traders have urged Government to impose corporate tax on retail stores run by big corporate houses;

if so, the details thereof;

whether the confederation has also requested to constitute an Independent special task force to study the socio-economic environment and cultural Impact of corporate retails; and

if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. *Vide* letter dated 9.3.2008, the Confederation has suggested that corporate tax should be imposed on retail stores run by big corporate houses. Since no specific exemption is available to such retail stores, they are liable to income-tax on their taxable income.

(c) and (d) Yes, Sir. However, it is not considered necessary to set-up a task force to study the socio-economic environment and cultural impact of corporate retails.

Functioning of Money Lenders Across States

2982. SHRI A. VIJAYARAGHAVAN: Will the Minister of FINANCE be pleased to state:

whether Government is aware of functioning of money lenders **in** many States who are lending money on various interest rates to farmers;

if so, the details thereof including number of such money lenders, amount of money given to farmers on interest and the interest rate in various States, State-wise, category-wise, year-wise for last three years;

whether any study has been initiated to examine enormity of the problem of usrious interest rates and grip of money lenders over farmers in various States;

if so, the details thereof; and

if not, what steps would be taken for it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) As per National Sample Survey Organisation data on 'Indebtedness of Farmer Households' (2003), 51.4% of fanner households do not access